

Embracing Change

Buzzwords words such as recession, change, layoff, inflation, and deflation floating around in people's minds today it is hard to keep everyone optimistic about the future. In such tough economic times future planning has become a top priority and have great relevance to help organizations prepare for any events that lie. Future planning in times of economic downturn has started to raise more questions that must be clarified by top members of the organization before defining the organizations business plan and goals. "In order to determine where it is going, the organization needs to know exactly where it stands, then determine where it wants to go and how it will get there. The resulting document is called a 'strategic plan'" (Wikipedia, 2009).

Questions to Answer First...

Strategic plans answer one or all of three questions: 1. What do we do?; 2. Whom do we do it for?; and/or 3. How do we excel? (Wikipedia, 2009). Two types of analysis that assist organizations in articulating a strategic plan are SWOT (Strength, Weakness, Opportunities, and Threats) and PEST (Political, Economic, Social and Technical).

Strategic planning is beneficial for the organization's future growth and economic stability. The benefits of a strategic plan serve a variety of purposes such as helping an organization clearly define its' goals, developing a sense of ownership, providing a base-line to measure future progress, as well as building teams and solving major problems. The aforementioned benefits are time sensitive to current economic trends and environmental concerns that interact with the organization. In order to achieve the defined goal, the strategic plan should define the current state, the desired state, how the goals are be achieved, what's to be established in order define goal attainment. It is imperative to keep in mind, since organizations don't exist in a vacuum; the first plan is not necessarily always going to be the best answer. Times change and

the plans must be made in such a fashion that they are able to accommodate those changes. Strategic plans should be made when an organization is started, and updated at least once a year to keep plans up to date with the organization's environments both internal and external (McNamara, 2008).

The first question that must be addressed is 'What do we do?' about our current situation? Asking this question helps the organization envision the bigger picture. Looking at the big picture helps an organization and its' members keep in mind that organizations such as their own have weathered economic storms and survived. Times will without a doubt get tough, and organizations will survive and get through the challenges especially if a strategic plan was established. Not having a realistic behavior and/or mindset about the future and change can harbor some actions that can potentially be detrimental for the organization (Bloom, 2008).

When addressing the second question of 'Who are we doing this for?', one can go straight to the source. By simply asking employees what they think helps to answer this question; and their ideas can be help and applied in many ways. The uses of employee's ideas convey the message that the organization's top management is listening and values the ideas and beliefs of those individual that compromise the human capital of the company and embrace those ideas as both useful and important. A sense of ownership will be given to the employees as well as increasing work motivation and organizational citizenship behaviors occur in such an uneasy time. Now is the time to invest in the organization from the inside out, by increasing its value (Bloom, 2008).

The third and final question to answer is 'how to help the organization excel.' Once the problems and gaps in an organization have been identified; one is provided with the foundation for strategic change within an organization. One of the first actions organizations commonly

adopt by most organizations is blind cost cutting. This traditional move for most organizations is intended to reduce the overall costs and expenditures while maintaining a positive bottom line. In accordance with strategic planning, an alternative approach can be taken such as converting fixed costs to variable costs. This informed alternative method could prove to be more efficient and effective for the company. Downsizing, furloughs and salary reductions help to reduce costs, however, the organization must answer the latter question of who will be the first to go. Downsizing an organizations workforce is a tough decision to make. When trying to cut costs, downsizing is recommended as the final reduction in expenses and should only be completed when absolutely necessary (Deonarain, 2008).

After the Questions...

Keeping morale and motivation high is a tougher challenge today than it was a few years ago. One way to keep the spirits of entire organization hopeful would be to strategically plan for the negative times as well; that is before the occur. Having strong leadership helps organizations use of 'best practice' approaches in alignment upper managements' support. These practices must be clear and concise in order to convey that even though times are tough, the organization is doing something about it and is confident about its' ability to successfully maneuver through turbulent times. If top management is stressed and worried about the future; their fears and insecurities will eventually trickle down and be conveyed to the organizations workforce. This type of behavior is very contagious and influential, especially to those in lower level positions that need and want the guidance of those with confidence (Deonarain, 2008).

While many organizations are saving and scrimping their money, some experts suggest that counterintuitive spending is necessary to simulate the economy. This isn't as irresponsible as many may first assume. Organizations should think of the money they are spending as an

investment rather than a cost. When organizations strategically invest in their purchases the benefits can help make the organization more efficient. The first step is to invest in technology that enables in overhead cost reduction; some examples such as having employees work from home and reduce travel costs are simple and easy to apply. The second step is to invest in your employees, because the happier and more appreciated a person feels at work the more efficient they can be at their job. Increasing marketing expenditures is also an investment in an organizations future (Deonarain, 2008).

Conclusion

Business cannot and should not always embrace the motto 'business as usual'; due to the fact that times and situations are constantly changing. This shows the importance of strategic management for the future health of an organization. Organizations that embrace the challenge of strategic management for the future will thrive in the long run-- especially in this nation's current economic situation.

Reference

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